

DEPARTMENT OF STATE REVENUE

Revenue Ruling 98-10 ST

August 18, 1998

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUES

I. Taxability of Rented Wheelchairs

Authority: IC 6-2.5-2-1, IC 6-2.5-4-1, IC 6-2.5-5-18

Taxpayer requests the Department to rule on the taxability of rented wheelchairs.

II. Taxability of Wheelchair Lifts

Authority: IC 6-2.5-2-1, IC 6-2.5-4-1

Taxpayer requests the Department to rule on the taxability of wheelchair lifts.

III. Taxability of Wheelchairs

Authority: IC 6-2.5-2-1, IC 6-2.5-4-1

Taxpayer requests the Department to rule on the taxability of manual wheelchairs sold without a prescription.

STATEMENT OF FACTS

Taxpayer is engaged in the business of renting and selling wheelchairs and wheelchair lifts. The wheelchair lift is a product that attaches to an automobile and is used to lift the wheelchair into the trunk. The wheelchairs are contracted or sold, in most cases, directly to the handicapped user. The wheelchairs and wheelchair lifts may or may not be rented with a doctor's prescription. The manual wheelchairs are sold without a doctor's prescription.

I. Taxability of Rented Wheelchairs

DISCUSSION

Pursuant to IC 6-2.5-2-1, a sales tax, known as state gross retail tax, is imposed on retail transactions made in Indiana. IC 6-2.5-4-1 provides that a retail transaction involves the transfer of tangible personal property. IC 6-2.5-4-10 states that a person other than a public utility is a retail merchant making a retail transaction when he rents or leases tangible personal property to another person. Pursuant to IC 6-2.5-5-18, rentals of medical equipment, supplies and devices are exempt from the state gross retail tax, if the rentals are prescribed by a person licensed to issue the prescription.

RULING

The Department rules that wheelchair rentals that have been prescribed by licensed doctors are not subject to gross retail tax; wheelchair rentals without a prescription are subject to sales tax.

II. Taxability of Wheelchair Lifts

DISCUSSION

Pursuant to IC 6-2.5-5-18, sales of "medical equipment, supplies and devices are exempt from the state gross retail tax, if the sales are prescribed by a person licensed to issue the prescription."

RULING

The Department rules that sales of wheelchair lifts that have been prescribed by licensed doctors are not subject to gross retail tax; sales of wheelchair lifts without a prescription are subject to sales tax.

III. Taxability of Manual Wheelchairs

DISCUSSION

Pursuant to IC 6-2.5-5-18, sales of “medical equipment, supplies and devices are exempt from the state gross retail tax, if the sales are prescribed by a person licensed to issue the prescription.” Taxpayer sells small manual wheelchairs without a doctor’s prescription.

RULING

The Department rules that sales of manual wheelchairs without a doctor’s prescription are subject to gross retail tax.

CAVEAT

This ruling is issued to the taxpayer requesting it on the assumption that the taxpayer's facts and circumstances, as stated herein, are correct. If the facts and circumstances given are not correct, or if they change, then the taxpayer requesting this ruling may not rely on it. However, other taxpayers with substantially identical factual situations may rely on this ruling for informational purposes in preparing returns and making tax decisions. If a taxpayer relies on this ruling and the Department discovers, upon examination, that the fact situation of the taxpayer is different in any material respect from the facts and circumstances given in this ruling, then the ruling will not afford the taxpayer any protection. It should be noted that subsequent to the publication of this ruling, a change in a statute, a regulation, or case law could void the ruling. If this occurs, the ruling will not afford the taxpayer any protection.

DEPARTMENT OF STATE REVENUE